FINAL REPORT OF AN AUDIT
CARRIED OUT IN
CROATIA
FROM 19 TO 23 JANUARY 2015
IN ORDER TO
EVALUATE THE OFFICIAL CONTROLS ON CONSIGNMENTS IN TRANSIT
Executive Summary

The report describes the outcome of an audit carried out by the Food and Veterinary Office (FVO) in the Republic of Croatia from 19 to 23 January 2015. The objective of the audit was to evaluate the official control system implemented by the competent authorities on consignments transiting the EU.

Allocation of tasks and responsibilities, provisions of instructions, cooperation and communication between veterinary and Customs authorities and the training organised by the involved authorities support the correct implementation of the official controls on transits. Verification contributes to the improvement of the system, despite some weaknesses in the supervision of warehouses.

The official control system of transit consignments at the entry BIPs ensures that only consignments eligible for transits are accepted as required by EU legislation. The system of traceability in warehouses is adequate, with some deficiencies in the identity checks upon entry, which means that products can be accepted for transit without the adequate guarantees and subsequently re-certified incorrectly by EU officials at the time of dispatch.

The official controls of exit transit consignments ensure that consignments leave the EU territory, and the specific controls for the derogations for consignments from Bosnia and Herzegovina are effectively implemented.

The competent authorities implement controls on consignments of external transits, but some consignments of live poultry commodities were allowed to re-enter the Union after transiting a third country not authorised for such transits, reducing the effectiveness of the controls in protecting the animal health status in the EU.

The report makes a number of recommendations addressed to the competent authorities of Croatia, aimed at rectifying the identified shortcomings and/or further enhancing the control measures in place.
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<tr>
<td>BIP</td>
<td>Border inspection post</td>
</tr>
<tr>
<td>BVIITS</td>
<td>Border Veterinary Inspection and International Trade Service</td>
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<tr>
<td>CN code</td>
<td>Customs nomenclature code. The CN code is comprised of the Harmonised System (HS) nomenclature with further Community subdivisions. The HS is run by the World Customs Organisation.</td>
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<tr>
<td>CVED</td>
<td>Common veterinary entry document</td>
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<tr>
<td>CVEDA</td>
<td>Common veterinary entry document for animals</td>
</tr>
<tr>
<td>CVEDP</td>
<td>Common veterinary entry document for products</td>
</tr>
<tr>
<td>Direct transit</td>
<td>Movement of transit consignments across Union/EEA territory from the BIP of entry directly to the BIP of exit, or to a ship leaving the coastal waters of the Union/EEA territory</td>
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<tr>
<td>DOCOM</td>
<td>Commercial Document created in TRACES</td>
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<tr>
<td>EXPORT</td>
<td>Official certificate created in TRACES by competent authorities in Member States for export to non-EU countries</td>
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<tr>
<td>HS nomenclature</td>
<td>Harmonised System Nomenclature, the international multipurpose nomenclature elaborated under the auspices of the World Customs Organisation</td>
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<tr>
<td>Indirect transit</td>
<td>Movement of transit consignments from the BIP of entry to a free zone, free/Customs warehouse/ship supplier for storage first and then onto the BIP of exit, or a ship supplier, or a ship, leaving the coastal waters of the Union/EEA territory</td>
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<tr>
<td>INTRA</td>
<td>Intra-trade animal health certificate</td>
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<tr>
<td>LVU</td>
<td>Local veterinary unit</td>
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<tr>
<td>QlikView</td>
<td>One of the features of TRACES allowing monitoring of data</td>
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<tr>
<td>RASFF</td>
<td>Rapid alert system for food and feed</td>
</tr>
<tr>
<td>TRACES</td>
<td>Trade control and expert system</td>
</tr>
<tr>
<td>Transit</td>
<td>The movement of non-conforming consignments or, the movement of live animals conforming to the EU requirements across Union/EEA territory by road, rail, or waterway transport from one third country to another</td>
</tr>
<tr>
<td>T2L</td>
<td>A Customs document used in the European Union as a proof of the Inter-European community character of the export / import</td>
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1 INTRODUCTION

This audit to Croatia took place from 19 to 23 January 2015. The team comprised two auditors from the Food and Veterinary Office (FVO) and was carried out as part of the FVO’s planned audit programme. During the audit, the team was accompanied by representatives from the Croatian central competent authority.

An opening meeting was held on 19 January 2015 with representatives from the Ministry of Agriculture and Customs. At this meeting, the objectives of, and itinerary for the audit were confirmed.

2 OBJECTIVES AND SCOPE

The main objective of the audit is the evaluation of the official control system implemented by the competent authorities on consignments transiting the EU, in particular:

- whether the controls are implemented in compliance with the requirements laid down in the relevant legislation,
- whether the implementation of those controls is effective and suitable in ensuring that (i) only consignments eligible for transit are accepted and (ii) transiting consignments always leave the EU,
- whether derogations from animal health requirements of certain products of animal origin from Bosnia and Herzegovina destined for third countries and transiting through Croatia are implemented with the requirements laid down in the relevant legislation.

In terms of scope, the audit covered:

- the control system implemented at entry and exit border inspection posts (BIPs), warehouses approved for storing non-conforming goods and ship suppliers,
- consignments moving between third countries, transiting via EU territory,
- intra-community movements of EU goods via Third Countries ("external transits" for the purpose of this report, not to be confused with the T1 – external transit procedure of Customs),
- movement of goods taking place by road, railway, and water lines, including transits between airports,
- commercial consignments of products of animal origin and live animals.

The following are excluded from the scope:

- transhipments
- personal consignments and movements of pet animals, external transits via EFTA countries.

The table below lists sites visited and the meetings held in order to achieve the above objectives:
<table>
<thead>
<tr>
<th>Meetings</th>
<th>Competent authorities</th>
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<tr>
<td>Opening and closing meeting</td>
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<tr>
<td>Ploče BIP</td>
<td>Ministry of Agriculture and Customs</td>
</tr>
<tr>
<td>Rijeka BIP</td>
<td></td>
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<tr>
<td>Customs warehouse</td>
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3 LEGAL BASIS

The audit was carried out under the general provisions of EU legislation and, in particular Article 45 of Regulation (EC) No 882/2004 of the European Parliament and of the Council.

Annex 1 comprises a list of legislation as audit criteria for this report. Legal acts quoted refer, where applicable, to the last amended version.

The Commission General Guidance for consignments of live animals and animal products from third countries in transit and transhipment (SANCO/10844/2011 of 8 April 2011, hereafter – Guidance on transit) referred to above was also used as an audit criterion.

4 BACKGROUND

Council Directives 97/78/EC (for animal products) and 91/496/EEC (for live animals) set out the veterinary procedures and requirements for importing into the EU commercial consignments of live animals and animal products. While consignments to be imported must meet both animal and public health requirements, consignments of animal products in transit are only required to meet the animal health requirements. It is therefore necessary that the competent authorities ensure that those consignments, for which public health guarantees have not been provided, do not enter the EU market.

The seven BIPs in Croatia issued 1008 Common veterinary entry documents for products (CVEDPs) for direct transit consignments and 58 CVEDPs for consignments destined to warehouses during 2014. The highest number of transit consignment arrives via Rijeka port (62 %) and Ploče BIP (18%).

Three warehouses (two Customs warehouses and one free warehouse) are approved under Article 12 of Directive 97/78/EC for the temporary storage of products of animal origin in transit. Staff of Rijeka port BIP is responsible for the supervision of all warehouses mentioned above and they issued 66 CVEDPs during 2014. Consignments handled by the warehouses are canned fishery products from Vietnam, Thailand, US and destined mainly to Serbia and Bosnia and Herzegovina.

Fishery products and some animal by-products are the main products of animal origin transiting the country. These products come from Argentina, Indonesia, Vietnam, Thailand, Morocco, Bosnia and Herzegovina and they are destined to the neighbouring countries (e.g. Bosnia and Herzegovina, Serbia).
5 FINDINGS AND CONCLUSIONS

5.1 DESIGNATION OF COMPETENT AUTHORITIES AND OPERATIONAL CRITERIA

Legal requirements


Findings

1. The Border Veterinary Inspection and International Trade Service (BVIITS), part of the Veterinary and Food Safety Directorate of the Ministry of Agriculture is responsible for the transit controls of products of animal origin and live animals. The Veterinary Public Health and Food Safety Sector of Ministry of Agriculture is responsible for the approval of the warehouses. More detail on the relevant competent authorities can be found in the country profile for Croatia available at: http://ec.europa.eu/food/fvo/country_profiles/details.cfm?co_id=HR

2. The seven BIPs are under the supervision of BVIITS which drafts procedures, prepares guidelines and instructions on transit controls and updates the manual of procedures at BIPs for border veterinary inspectors.

3. The Guidelines for the check of transit consignments exiting the customs territory of the EU state that the BIP is the overall responsible authority, while Customs is the responsible authority outside the working hours of the BIPs. This permanent coverage of official controls is in line with the requirements of Article 3 of Decision 2000/208/EC.

4. Customs performs the controls of external transits for all products and live animals. However, following the agreements between Customs and Veterinary services, consignments of live animals and animal by-products (category 1, 2 and processed animal proteins of category 3) shall be presented for control at the BIPs.

5. Customs officials contact the veterinary authorities if non-compliances are detected. The cooperation between authorities is ensured as required by Article 24 of Regulation (EC) 882/2004. Customs perform regular documentary checks of consignments re-entering the EU territory in order check the origin of the goods as required by Article 6(1) of Council Directive 89/662/EEC.

6. The competent authority stated that all communication with the regional authorities concerning problems arising from Intra-trade animal health certificates (INTRA) would be done via BVIITS.

7. In relation to written procedures, it was noted the following:
   – For controls on transits at the entry BIP, instructions cover the performance of the official controls for transits of live animals and products of animal origin.
For controls on transits at the exit BIP, the manual of procedures covers the official controls. However, the instructions do not cover the situations where the exit transit controls are performed by Customs outside of BIP working hours.

For controls of external transits, the instructions do not cover live animals moving between Member States via third countries' territories, which is required by Article 9 of Directive 91/496/EC, but controls are implemented.

For controls at warehouses, described also in the manual of procedures, the procedure does not cover the actions expected from BIP staff when consignments in transit which left the warehouse are rejected by the third country, or when part of the consignment has to be sent for destruction (see finding 26).

8. Specific training on transit controls has not been organized, but most of the BIP staff have followed training offered by the Better Training for Safer Food programme. After the training, the information is disseminated to other staff, fulfilling the requirement of article 6 of Regulation (EC) 882/2004. Customs authorities and operators received training on official veterinary controls at the BIPs (including transit requirements) in 2013.

9. Trade control and expert system (TRACES) is used for recording all controls done by the BIP (including controls done on live animal consignments in external transit).

Conclusions on designation of competent authorities and operational criteria

10. Allocation of tasks, responsibilities and duties of staff and the training of involved authorities supports the correct implementation of the official controls on transits.

11. The cooperation and communication between veterinary and Customs authorities is well developed ensuring that transit consignments are presented for veterinary controls, as required by EU legislation.

5.2 OFFICIAL CONTROLS ON TRANSITING GOODS

Legal requirements


Findings

5.2.1 Controls at the entry BIP

5.2.1.1 Pre-notification

12. The requirement for pre-notifying the consignments is covered in Section 5 of the manual of procedures at the BIPs. In the majority of cases, part 1 of the Common
veterinary entry documents (CVEDs) is provided by the person responsible for the load using TRACES.

13. The Customs database does not automatically flag the consignments of veterinary interest from amongst the goods in transit. Those consignments are identified by Customs on the basis of CN codes and description of goods.

14. Staff in the Ploče BIP monitor the incoming consignments with manifests and pre-notification checks. There is an agreement with Customs that unloading cannot take place without the agreement of the BIP, in line with the requirement laid down in Article 24 of Regulation (EC) 882/2004.

15. Staff in the Rijeka BIP monitor the incoming consignments using manifest checks, pre-notification and the operator's database. The operator's database is available to all authorities performing controls in the port. For veterinary official control purposes, it allows BIP staff to ensure that all consignments under veterinary control are blocked in the free port while they are presented for veterinary checks at the BIP, in accordance with the requirements of Article 7 of Regulation (EC) 136/2004 and Article 6 of Regulation (EC) 282/2004.

5.2.1.2 Veterinary checks

16. Documentary checks for all transit consignments are performed by the BIPs as required by Article 4 of Directive 97/78/EC. The person responsible for the load presents Part I of the CVEDs using TRACES.

17. Box 10 of Part I of the CVEDP correctly indicates the veterinary certificate number. The number of the animal health certificate for transit/storage in the EU (when applicable) is indicated in the above-mentioned box as required by Annex II to Regulation (EC) 136/2004. Only consignments in transit which comply with EU animal health requirements are allowed to transit as required by EU legislation.

18. The Rijeka BIP issued CVEDPs correctly identifying the place of destination in boxes 33 and 37 of CVED, as required by Regulation (EC) 136/2004.

19. All CVEDs issued bear the unique TRACES number. TRACES is used for communication to destination (warehouse or exit BIP), as required by Article 11 of Directive 97/78/EC.

20. According to Article 11 (2) of Directive 97/78/EC, consignments for direct transit to third countries shall be transported without being unloaded or split after leaving the BIP of arrival. However, the documentary splitting is necessary if after the entry BIP each container is transported by a different vehicle. Even though the central competent authority declared that the requirements of the Guidance on transit are directly applicable in all BIPs, the two BIPs visited applied the requirements differently:
a. The Rijeka BIP issued one CVEDP for the totality of the consignment covering several containers, and afterwards issued individual subsequent CVEDPs for each container.

b. The Ploče BIP issued CVEDPs for each container using the copy of one health certificate without issuing the general CVED for the whole consignment. This procedure does not follow the instruction of the Guidance on transit (heading 4.3), and the documentary traceability in TRACES is not correct.

21. BIP staff informed that all arriving consignments bear the seal indicated in the health certificate of origin. Therefore, BIPs perform only a seal check for all transit consignments (including those which are destined to the warehouses) following the requirements of Article 4(4)(a)(1) of Directive 97/78/EC.

22. Physical checks have been never performed for transit consignments since there were no irregularities suspected which could cause risk to a public or animal health as laid down by Article 11 of Directive 97/78/EC.

23. The audit team noted that all direct transit consignments leaving the entry BIP are sealed with a veterinary seal which is indicated in box 38 of Part II of the CVEDP as required by Article 11(2)(c) of Directive 97/78/EC. However, the Rijeka BIP does not seal containers which are sent to the approved warehouses contrary to the requirements of Article 2 of Decision 2000/571/EC.

5.2.1.3 Follow-up of transiting goods by the entry BIP

24. Part 9.3.1. of the manual of procedures requires the entry BIP to follow up the consignments in transit and confirm that they leave the EU territory within 30 days, as laid down in Article 11(2)(c) of Directive 97/78/EC. In the majority of transits, the exit BIP confirmed on time using TRACES that the consignment had left the territory.

25. For the cases where the confirmation of exit was not provided in TRACES within 30 days, the entry BIP contacts Customs in order to verify that it has left the EU territory, in accordance with the requirements of Article 11(2)(e).

26. The audit team noted some specific situations where the manual of procedures did not cover specific controls:

− The procedure for transiting consignments rejected by the third country of destination: a consignment of fishery products in transit had been rejected by the third country of destination (see finding 34). On re-entry, the BIP issued a CVEDP for re-import. The competent authorities noted the error and replaced the CVEDP with the correct one, indicating that the consignment was a new transit to the third country of origin. This procedure is described in the Guidance for transit, heading 7.2.

− The procedure when consignments in transit entered into EU territory without veterinary checks at the entry BIP: a consignment of non-conforming goods from
Bosnia and Herzegovina arrived at the BIP of exit without the control at the entry BIP, therefore not accompanied by the CVEDP. Thanks to the cooperation with Customs, the BIP of exit detected the consignment, performed veterinary checks and allowed the re-dispatching of the consignment outside the EU territory using the same means of transport, as required by Article 17(2) of Directive 97/78/EC.

- The procedure to send transiting consignments for destruction: several consignments of non-conforming goods were sent for destruction to an approved processing plant without accompanying CVEDs, contrary to the requirements of Article 5(1) of Directive 97/78/EC. The lack of traceability in TRACES was compensated because BIP staff issued commercial documents (in line with Article 41 of Regulation (EC) No 1069/2009) and the arrival was confirmed by the competent authority at the place of destruction.

**Conclusions on controls at the entry BIP**

27. Notwithstanding some minor inconsistencies in the application of the rules, the official control system of transit consignments at the entry BIPs is reliable and ensures that only consignments eligible for transit are accepted as required by the EU legislation.

5.2.2 Controls at warehouses and ship suppliers

28. The two Customs warehouses and the approved warehouse in the free zone operate under the supervision of the Rijeka BIP. The head of the BIP and official veterinarians from the BIP are partially seconded (whenever required) to perform official controls of non-conforming products at the warehouses.

29. Official controls of consignments arriving at the warehouses were not recorded in TRACES until April 2014, contrary to the requirements of Article 3(2) of Decision 2004/292/EC. Subsequently, the competent authority provided the Rijeka BIP with the additional access of local veterinary unit (LVU) in TRACES, allowing it to record official controls for the arriving consignments at the warehouse. In November 2014, the competent authority introduced a super local veterinary unit (SLVU) account in TRACES, in order to allow the confirmation of arrival of consignments to the warehouse located in the free zone of Rijeka port.

30. The audit team visited a warehouse which is indicated as a cold storage warehouse in the list provided by the competent authority to the Commission and is published on its webpage. The warehouse handles only ambient storage products and the competent authority stated that this discrepancy in the register details happened because another sector (finding 1) is responsible for the approval of the establishments under Regulation (EC) No 853/2004. At the time of the audit, all warehouses had submitted applications for revision of their approval and at the time of the drafting of this report the approval details had been modified accordingly in the competent authority’s webpage and a request submitted to the Commission, in line with Article 12(10) of Directive 97/78/EC.
31. The audit team noted that the warehouse operator was sufficiently aware of Customs procedures and legal requirements for the handling and storing of non-conforming consignments defined in Article 12(4)(b) of Directive 97/78/EC and Article 3(2) of Decision 2000/571/EC.

32. The traceability system of the warehouse is based on electronic registration of entry of the product and identification of its position by scanning of the point (rack) of storage. The non-conforming products in storage were identified with the reference CVED number as required by the Article 1(5) of Decision 2000/571/EC.

33. The competent authority keeps files for each consignment, i.e. an electronic register of the incoming consignments, and one for the outgoing, a protocol for receiving each consignment and for the official controls performed upon receipt in the warehouse, and a table that has the full history of a consignment from the time of arrival at the warehouse. The competent authority demonstrated that it was able to reconcile the consignments remaining at the warehouse in accordance with the requirements of Article 3(2) of Decision 2000/571/EC.

34. A consignment split in the warehouse visited had been rejected by the third country of destination due to a mismatch between the lot number on the boxes and the lot number on the health certificate accompanying the consignment from origin. The competent authority interpreted that there is no legal requirement to check/record the lot numbers of the consignments during the full identity check. This is contrary to the requirements of Article 4(4)(a)(ii) of Directive 97/78/EC. The operator of the warehouse stated it had taken corrective actions and strengthened controls during loading, cross-checking the lot number to match with the information on the health certificate.

35. The audit team conducted traceability exercises both to trace back and trace forward a randomly selected product in the warehouse. The data from TRACES matched precisely the info provided by the competent authorities' and the operator's records. However, the lot number of the consignment examined did not match that indicated in the original health certificate which accompanied the consignment. This had not been detected during the checks upon arrival at the warehouse, which is not in line with the requirements of Article 4(4)(a)(iii) of Directive 97/78/EC and Article 4 of Decision 2000/571/EC.

36. Confirmation of arrival of non-complying products at the warehouse was done via TRACES, as required by Article 3(2) of Decision 2004/292/EC. Once a consignment of non-conforming goods has left the entry BIP and has arrived at the free zone, free/Customs warehouses, the BIP responsible for this location completes the relevant parts in box 41 of the CVEDP in TRACES, providing the entry BIP with feedback on the arrival of the consignment and its conformity. Delays in recording or absence of recording this information in TRACES in a timely manner were noted due to the lack of LVU access to TRACES (finding 29).
37. During veterinary checks of a consignment received at the warehouse, the official veterinarian detected three damaged carton boxes. The audit team noted that a CVED was not issued for this movement contrary to the requirement of Article 5(1) of Directive 97/78/EC and Article 1 of Decision 2000/571/EC. However, the consignment was sent for destruction with a commercial document (following Article 41 of Regulation (EC) No 1069/2009) and its arrival was confirmed by the competent authority at the place of destruction. The official veterinarian performing controls at the warehouse commented that he was not aware that a CVED was needed in such a case (see finding 26).

5.2.3 Movement from the warehouses to the exit BIP

38. The audit team examined about 15% of the files for consignments entering the warehouse and noted that the competent authority issues a subsequent (“daughter”) CVEDP which is properly linked in box 24 with the original CVEDP issued by the entry BIP in compliance with Article 1(6) of Decision 2000/571/EC.

39. The audit team examined records of exit confirmation and found that consignments sent from the warehouse left the EU territory as required by Article 12(8) of Directive 97/78/EC.

5.2.4 Movement from the warehouses to a ship supplier or ship

40. At the time of the audit there were no ship suppliers approved in Croatia.

41. During 2014 there were no movements of non-conforming goods from the warehouses to a ship.

Conclusions on controls at warehouses

42. There are controls at the warehouses, but identity checks upon arrival at the warehouses do not ensure that mismatches with the certificates are identified. The mismatch with the original certificate means that those goods are (i) accepted for transit without adequate guarantees and (ii) are re-certified incorrectly by EU officials at the time of dispatch. The risk to animal health is mitigated since currently only canned fishery products are stored in the warehouses. Furthermore, the traceability system put in place by the operator allows for the reconciliation of the goods.

5.2.5 Controls at the exit BIP

43. Part 9.3.1 of the manual of procedures at BIPs covers the official controls to be done at the exit BIP as required by Article 11 of Directive 97/78/EC.

44. In April 2014, the central competent authority in cooperation with Customs approved an instruction for exit checks made by Customs officials outside the working hours of BIPs. Following the newly approved instruction, the BIP staff perform the exit checks of transit consignments during the working hours of the BIPs. Customs are responsible for
the exit checks of transit consignments outside the working hours of the BIPs. The instruction is prepared following the requirements of Directive 97/78/EC and Decision 2000/208/EC.

45. In those cases where the transit checks are done by the BIP staff the seal check is done at the BIP facilities. Outside of working hours, the seal check is done by Customs officials at the Customs control post. In both cases these controls are done following the requirements of Decision 2001/812/EC. The port BIPs visited keep track of exiting transit consignments until they are unloaded into ships for dispatch outside the EU.

46. The audit team noted that none of the BIPs visited follow the above-mentioned work instruction:

a. In the Ploče port, Customs authorities always send the exit transit consignments to the BIP for checks even if the BIP is not working. The consignment then waits until the BIP is open.

b. In the Rijeka port, the exit transit checks are always performed by Customs even when the BIP is open. The local agreement to divert from the national instruction (finding 44) is not documented. Central Customs officials confirmed that Customs are obliged to check veterinary seals only in cases defined in the national instruction. This means there is no legal obligation for Customs to check the veterinary seals following the requirements of Article 3 of Decision 2000/208/EC when the BIP is open.

47. After the exit checks, the relevant part of box 41 of the CVED is completed in TRACES, as required by Article 3 of Decision 2004/292/EC. If the controls are done by the Customs authority, the BIP staff reflect this in box 41 as soon as the documents are returned by Customs to the BIP staff.

48. Following the approved instructions and the manual of procedures, the BIPs have to communicate with Customs and the central competent authority in order to make the official controls of transit exit consignments which do not comply with the requirements.

**Conclusion on controls at the exit BIP**

49. The official controls of exit transit consignments are correctly implemented in the vast majority of cases ensuring that consignments leave the EU territory as required by EU legislation, except for the Rijeka BIP. The different, undocumented implementation of instructions on exit transit controls at this BIP level cannot ensure that the exiting consignments are checked to confirm that they have not been manipulated during transit.
5.3 OFFICIAL CONTROLS IMPLEMENTED ON SPECIFIC TRANSITS

5.3.1 Derogations for consignments from Bosnia and Herzegovina and destined to third countries.

Legal requirements


Findings

50. Specific derogations laid down in Regulations (EU) No 553/2013, 555/2013 and 556/2013 are in place for consignments originating in Bosnia and Herzegovina and moving between the Nova Sela and Ploče BIPs. The audit team noted that the BIPs correctly apply the requirements and transit is allowed only for eligible consignments.

51. In October 2014, the competent authority introduced a special procedure for the weighing of the consignments ensuring that the number of consignment and quantities of products leaving the Union territory matches the number and quantities entering, as required by Article 8 of Regulation (EC) No 882/2004.

52. Approximately 10% of consignments are weighed by Customs at the request of BIP staff. The records on verification that the number of consignment and quantities of products leaving the Union territory matches the number and quantities entering are available at the Nova Sela and Ploče BIPs, as required by Regulation (EU) No 553/2013, Regulation (EU) No 555/2013 and Regulation (EU) 556/2013.

Conclusion on derogations for consignments from Bosnia and Herzegovina and destined to third countries

53. The specific conditions for transit via the EU territory to third countries from Bosnia and Herzegovina are effectively implemented.

5.3.2 Controls on EU consignments moving between Member States via third countries territories

54. In accordance with Part 9.5 of the manual of procedures and the recently approved instructions, Customs are responsible for the controls of consignments of products of animal origin of EU origin moving between Member States via the territory of a third country which are subject to the T2L Customs procedure. These consignments are checked following the requirements of Article 6(1) of Directive 89/662/EEC. The veterinary officials of the BIP together with Customs officials perform official controls of consignments of live animals and animal by-products of Category 1, 2 and processed

55. The manual of procedures covers the specific derogation for live animals for immediate slaughter or live bovine animals for fattening in accordance with Regulation (EC) No 206/2010 and animal welfare requirements under Regulation (EC) No 1/2005. The instructions do not include the requirements of Article 9 of Directive 91/496/EC (see finding 56).

56. External transit consignments of live animals are not pre-notified by the person responsible for the load to the BIP of re-entry, contrary to the requirements of Article 2 of Regulation (EC) 282/2004. The re-entry BIP performs only official controls to confirm the origin of live animals and animal welfare during transportation. The full check of live animals is not carried out in the re-entry BIP contrary to the requirements of Article 9 of Directive 91/496/EEC.

57. Customs perform the controls of external transit consignments of products of animal origin under their responsibility following the requirements of Article 6(1) of Directive 89/662/EEC. A documentary check is performed by Customs in order to verify the origin of the consignment. The central Customs office verified the correct implementation of the controls on these consignments (see finding 66).

58. Information about the controls of external transits of live animal consignments at the re-entry BIP is not always recorded in TRACES, contrary to the requirements of Article 3 of Decision 2004/292/EC.

59. Several consignments of live poultry commodities (hatching eggs or day-old chicks) moving between Member States arrived at the EU border via a third country (Serbia, which not listed in the Annex I to Regulation (EC) 798/2010). This means that the consignments lost their EU animal health status. However, these consignments were accepted for re-entry, even though they did not comply with the requirements of Article 9 of Directive 91/496/EEC. The competent authority was unaware of the limitations on such transits if the third country does not have the relevant animal health status. It was also noted that in several cases the intra-trade certificates issued by the country of origin of the live animals included the intended transit, corroborating that the officials at the country of origin were also unaware of the animal health limitations.

**Conclusion on EU consignments moving between Member States via third countries territories**

60. The competent authorities implement controls on consignments of external transits. However, live poultry commodities transiting via Serbia were allowed to re-enter the EU territory, reducing the effectiveness of the controls in protecting the animal health status in the EU.
5.4 VERIFICATION AND REVIEW

Legal requirements


Findings

61. The central competent authority makes supervision visits to each BIP twice a year. Checklists are used in order to document these visits in accordance with Article 4 of Regulation (EC) 882/2004. The reports of supervision visits cover checks on the documentation, training, procedures (including transits) and may include recommendations, and an action plan with deadlines. The central competent authority monitors the implementation of the actions proposed.

62. The audit team was provided with copies of the most recent records of the supervision visits to the BIPs visited. One recommendation has been issued related to the correct implementation of official controls on specific transits for consignments from Bosnia and Herzegovina and destined to third countries at the Ploče BIP. The corrective actions have been implemented (see finding 52) and addressed. No findings related to transits were identified by the central competent authority at the Rijeka BIP.

63. The head of the Rijeka BIP performs a supervision of the warehouse facilities once per year using a checklist to verify conformity with the requirements of Article 4(1) of Regulation (EC) 853/2004. No major finding was identified in the supervisions during 2013 and 2014.

64. BVIITS makes annual supervision visits to the warehouses approved for storage of non-conforming products of animal origin. The audit team was provided with a copy of the report of the most recent visit. The report contained recommendation concerning the loading of consignments. However, the supervision report did not contain any information on the traceability of non-conforming products of animal origin handled and stored in the warehouse contrary to the requirements of Article 4 of Decision 2000/571/EC (see findings 34 and 35).

65. A special verification procedure has been established by competent authority in order to ensure the number of consignments and the quantities of products leaving the Union territory matches the number and quantities entering as required by Regulation (EU) No 553/2013, Regulation (EU) No 555/2013 and Regulation (EU) 556/2013 (see finding 51).

66. On 9 January 2015, the Central Customs office carried out an audit at Stara Gradiška and Bajakovo Customs offices on the correct implementation of the official controls carried out by Customs on consignments subject to veterinary checks including
consignments for external transits under the T2L procedure as required by Article 4 of Regulation (EC) 882/2004. The verification report did not contain recommendations.

**Conclusions on verification and review**

67. The verification of BIPs covers official controls of transit consignments, follow-up of action plans provided by the heads of the BIPs and contributes to the improvement of the official control system.

68. The verification at warehouses covers the hygiene requirements and, handling and storage of non-conforming goods at the warehouse but has not detected the weakness of the controls upon arrival of the goods at the warehouse. This allows shortcomings in the controls to remain unaddressed.

### 6 FOLLOW-UP OF RELEVANT RECOMMENDATIONS MADE IN PREVIOUS FVO REPORTS

The table below summarizes the follow-up to the relevant recommendations made in report DG SANCO 2014-7000-MR Final.

<table>
<thead>
<tr>
<th>No.</th>
<th>Recommendation</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>To enforce the requirement for persons responsible for the load to provide the notifications of arrival of consignments prior to arrival to EU territory in all the BIPs, in accordance with Article 2 of Regulation (EC) No 136/2004.</td>
<td>Addressed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>See finding 12.</td>
</tr>
<tr>
<td>4</td>
<td>To ensure that official controls on transiting consignments at exit BIPs comply with the requirements of Article 3 of Decision 2000/208/EC, also when they are implemented by authorities different from the veterinary services.</td>
<td>Partially addressed (except for the Rijeka BIP).</td>
</tr>
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<td></td>
<td></td>
<td>See finding 46.</td>
</tr>
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</table>
7 **OVERALL CONCLUSIONS**

Allocation of tasks and responsibilities, provisions of instructions, cooperation and communication between veterinary and Customs authorities and the training organised by the involved authorities support the correct implementation of the official controls on transits. Verification contributes to the improvement of the system, despite weaknesses in the supervision of warehouses.

The official control system of transit consignments at the entry BIPs ensures that only consignments eligible for transits are accepted as required by EU legislation. The system of traceability in warehouses is adequate, with some deficiencies in the identity checks upon entry, which means that products can be accepted for transit without the adequate guarantees and subsequently re-certified incorrectly by EU officials at the time of dispatch.

The official controls of exit transit consignments generally ensure that consignments leave the EU territory, and the specific controls for the derogations for consignments from Bosnia and Herzegovina are effectively implemented.

The competent authorities implement controls on consignments of external transits, but some consignments of live poultry commodities were allowed to re-enter the Union after transiting a third country not authorised for such transits, reducing the effectiveness of the controls in protecting the animal health status in the EU.

8 **CLOSING MEETING**

A closing meeting was held on 23 January with representatives from the Ministry of Agriculture and the Customs authority. At this meeting, the main findings and the preliminary conclusions of the audit were presented by the audit team. The central competent authority requested clarification in relation to some issues but did not express disagreement with the findings and conclusions presented.

9 **RECOMMENDATIONS**

The competent authority is invited to provide details of the actions taken and planned aimed at addressing the recommendations set out below, including deadlines for their completion ('action plan'), within twenty five working days of receipt of the translated draft audit report.
<table>
<thead>
<tr>
<th>No.</th>
<th>Recommendation</th>
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</table>
| 1.  | To ensure that official controls on transiting consignments at all exit BIPs comply with the requirements of Article 3 of Decision 2000/208/EC in order to verify that the consignments have not been manipulated.  
*Recommendation based on conclusion 49.*  
*Associated findings 44, 45 and 46.* |
| 2.  | To ensure implementation of the identity check at the warehouses as required by Article 4 of Directive 97/78/EC.  
*Recommendation based on conclusion 42.*  
*Associated findings 34 and 35.* |
## ANNEX 1 – LEGAL REFERENCES

<table>
<thead>
<tr>
<th>Legal Reference</th>
<th>Official Journal</th>
<th>Title</th>
</tr>
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<tbody>
<tr>
<td>Directive or Regulation</td>
<td>Journal Reference</td>
<td>Description</td>
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<tr>
<td>Regulation</td>
<td>OJ L No, Date, p.</td>
<td>Description</td>
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<tr>
<td>Reg. 798/2008</td>
<td>226, 23.8.2008, p. 1-94</td>
<td>Commission Regulation (EC) No 798/2008 of 8 August 2008 laying down a list of third countries, territories, zones or compartments from which poultry and poultry products may be imported into and transit through the Community and the veterinary certification requirements</td>
</tr>
</tbody>
</table>